

## Message Text

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PAGE 01 PRETOR 02424 071336Z

54

ACTION AF-18

INFO OCT-01 ISO-00 L-03 CIAE-00 DODE-00 INR-10 NSAE-00

PA-04 RSC-01 USIA-15 PRS-01 SP-03 AID-20 EB-11 NSC-07

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 COME-00

FRB-02 XMB-07 OPIC-12 LAB-06 SIL-01 DRC-01 /156 W

----- 068744

R 071230Z JUN 74

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 0002

INFO AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMCONSUL JOHANNESBURG

UNCLAS PRETORIA 2424

E.O. 11652: N/A

TAGS: EFIN, SF

SUBJECT: NEW BANKING LAW

1. PRESS HAS REPORTED THAT SAG HAS PUBLISHED FIRST DRAFT OF NEW BANKING LAW WHICH IS TO BE CONSIDERED DURING FORTHCOMING PARLIAMENTARY SESSION. MAJOR PROVISIONS SAID TO INCLUDE: (A) REGISTER OF BANKS EMPOWERED TO STOP ANY PRACTICES REGARDED AS "IRREGULAR OR UNDERSIRABLE"; (B) NON-BANKING INSTITUTIONS LIMITED TO 30 PERCENT SHARES OF REGISTERED BANK; (C) FOREIGN OWNERSHIP TO BE REDUCED TO 50 PERCENT OVER PERIOD TO BE DETERMINED BY MINFIN; (D) FOREIGN INVESTMENT IN SA BANKS LIMITED TO 15 PERCENT THROUGH MINFIN HAS DISCRETION TO RAISE LIMIT; (E) FOREIGN MUTUAL INSURANCE COMPANIES OPERATING IN SA MUST BECOME, SUBJECT TO CERTAIN PROVISIONS, DOMESTIC INSURERS; AND (F) BANKS LIMITED TO HOLDING 30 PERCENT OF AN INSURANCE COMPANY.

2. PRESS REPORTS THAT DRAFT HAS CAUSED CONSIDERABLE CONTROVERSY WITHIN BANKING COMMUNITY. ONLY CRITICISM SPECIFICALLY CITED, HOWEVER, IS OPEN ENDED NATURE OF (A).

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PAGE 02 PRETOR 02424 071336Z

3. COMMENT: LIMIT ON FOREIGN OWNERSHIP HAS LONG BEEN IN THE

CARDS AND MOST FOREIGN BANKS BELEIVED TO HAVE PLANS UNDERWAY  
TO COMPLY. IMPORT OF FOREIGN INVESTMENT LIMITATION NOT RPT  
NOT CLEAR AT THIS MOMENT.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, FOREIGN INVESTMENT, DATA, INSURANCE, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION AF  
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**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** martinjw  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 AUG 2002  
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30 JUN 2005

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**Review Release Date:** n/a  
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**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NEW BANKING LAW  
**TAGS:** EFIN, SF, SAG  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005